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Attorneys for secured creditor  
HILLAIR CAPITAL MANAGEMENT, LLC

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA**  
**LOS ANGELES DIVISION**

In re  
SCOOBEEZ, INC., et al.  
  
Debtors and Debtors  
in Possession.

Lead Case No. 2:19-bk-14989-WB  
Chapter 11  
(Jointly Administered with  
Case Nos. 2:19-bk-14991; 2:19-bk-14997)

**Affects:**

- ☒ All Debtors  
☐ SCOOBEEZ, INC., only  
☐ SCOOBEEZ GLOBAL, INC.  
only  
☐ SCOOBUR, LLC only

**HILLAIR CAPITAL MANAGEMENT, LLC'S  
OPPOSITION TO THE MOTION FOR  
ALLOWANCE AND PAYMENT OF  
ADMINISTRATIVE EXPENSE CLAIM OF  
SHOUSHANA OHANESSIAN**

**Hearing:**

Date: January 23, 2020  
Time: 10:00 a.m.  
Place: U.S. Bankruptcy Court  
Courtroom 1375  
255 East Temple Street  
Los Angeles, CA 90012

1 **TO THE HONORABLE JULIA BRAND, UNITED STATES BANKRUPTCY JUDGE,**  
2 **THE DEBTORS, THEIR COUNSEL AND ALL PARTIES IN INTEREST:**

3 **PLEASE TAKE NOTICE THAT** Hillair Capital Management LLC and its affiliates  
4 (collectively, “Hillair”), senior secured creditor of Scoobeez, Inc., a California corporation, debtor  
5 in the above-captioned chapter 11 bankruptcy case (“Scoobeez”), and its affiliated debtors,  
6 Scoobeez Global, Inc., an Idaho corporation (formerly known as ABT Holdings, Inc.) (“Scoobeez  
7 Global”) and Scoobur, LLC, a California limited liability company (“Scoobur”) (collectively, the  
8 “Debtors”), respectfully submits this opposition to the *Motion for Allowance and Payment of*  
9 *Administrative Expense Claim* [Docket No. 517] (the “Motion”) filed by claimant Shoushana  
10 Ohanessian as follows:

11 1. In her Motion, Mrs. Ohanessian seeks reimbursement of \$52,349.67 for various  
12 expenses that she advanced on behalf of the Debtors. These expenses are detailed on Exhibit A to  
13 Mrs. Ohanessian’s declaration in support of the Motion and include \$38,331.27 for charges  
14 incurred on July 19, 2019 at the Trump International Hotel in Chicago, Illinois. Mrs. Ohanessian  
15 also seeks payment of \$24,074.98 in toll road charges linked to her driver’s license, but incurred  
16 by the Debtors’ drivers.

17 2. Hillair understands that the Debtors will be disputing that certain of these charges  
18 are not actual and necessary expenses of preserving the Debtors’ estates under section 503(b)(1).  
19 Hillair joins in that objection.

20 3. Hillair further objects to, and does not consent to, the payment of any allowed  
21 administrative expense claims that are not provided for under any of the applicable cash collateral  
22 budgets. *See* Docket Nos. 172, 328 and 490. For example, as it relates to travel, the initial cash  
23 collateral budget included a “Travel” budget amount of \$30,000 for the period through August 8,  
24 2019, when Mrs. Ohanessian was terminated. That budgeted amount was for the travel expenses  
25 for all of the Debtors’ employees. Seemingly, Mrs. Ohanessian’s \$38,000 stay at the Trump  
26 International Hotel in Chicago exceeds the travel budget for that relevant period.

27 4. Hillair further objects to the payment of any allowed administrative expense claim  
28 given the substantial risk that these cases are administratively insolvent. *See, e.g., In re HQ*

1 *Global Holdings, Inc.*, 282 B.R. 169, 173 (Bankr. D. Del. 2002) (“[D]istributions prior to  
2 confirmation of a plan are usually disallowed when the estate may not be able to pay all  
3 administrative claims in full.”) (internal citations omitted); *see also United States v. Schottenstein,*  
4 *Zox & Dunn (In re Unitcast, Inc.)*, 219 B.R. 741, 752 (B.A.P. 6th Cir. 1998) (“That a bankruptcy  
5 judge has authority to order disgorgement of interim compensation when an estate turns out to be  
6 administratively insolvent is not here disputed.”).

7 5. Since the Debtors’ estates may very well be administratively insolvent, allowing  
8 Mrs. Ohaneissan to obtain payments under her Motion unnecessarily places the other  
9 administrative claimants at risk of not being paid and having to seek disgorgement in the future.  
10 Thus, Hillair requests that any payments of under the Motion in excess of any payments covered  
11 by the applicable cash collateral budget be held in abeyance until there is certainty regarding the  
12 Debtors’ ability to pay all administrative claims, including Hillair’s super-priority administrative  
13 claim. *See, e.g.*, Docket No. 132, p. 16, ln. 15-26.

14 6. For these reasons, Hillair objects to the Motion and to the immediate payment of  
15 Mrs. Ohanessian’s administrative expense claims.

16 DATED: January 9, 2020

BUCHALTER, a Professional Corporation

17  
18 By /s/ Anthony J. Napolitano  
STEVEN M. SPECTOR  
ANTHONY J. NAPOLITANO

19  
20 Attorneys for secured creditor  
HILLAIR CAPITAL MANAGEMENT, LLC

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
BUCHALTER, 1000 Wilshire Blvd, Suite 1500, Los Angeles, CA 90017

A true and correct copy of the foregoing document entitled (*specify*) **HILLAIR CAPITAL MANAGEMENT, LLC'S  
OPPOSITION TO THE MOTION FOR ALLOWANCE AND PAYMENT OF ADMINISTRATIVE EXPENSE CLAIM OF  
SHOUSHANA OHANESSIAN** will be served or was served (a) on the judge in chambers in the form and manner required  
by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General  
Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*)  
January 9, 2020, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that  
the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated  
below:

- **Richard T Baum** rickbaum@hotmail.com, rickbaum@ecf.inforuptcy.com
- **Bradley E Brook** bbrook@bbrooklaw.com, paulo@bbrooklaw.com;brookecfmail@gmail.com
- **Richard W Esterkin** richard.esterkin@morganlewis.com
- **John-Patrick M Fritz** jpf@lnbyb.com, JPF.LNBYB@ecf.inforuptcy.com
- **Riebert Sterling Henderson** shenderson@gibbsgiden.com
- **Vivian Ho** BKClaimConfirmation@ftb.ca.gov
- **Dare Law** dare.law@usdoj.gov
- **Bret D Lewis** Bretlewis@aol.com, bdlawyager@gmail.com
- **Ashley M McDow** amcdow@foley.com, sgaeta@foley.com;mhebbeln@foley.com;swilson@foley.com;jsimon@foley.com
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- **Steven M Spector** sspector@buchalter.com, IFS\_efiling@buchalter.com;salarcon@buchalter.com
- **United States Trustee (LA)** ustpreion16.la.ecf@usdoj.gov
- **Kimberly Walsh** bk-kwalsh@texasattorneygeneral.gov
- **Eric D Winston** ericwinston@quinnemanuel.com
- **Eric K Yaeckel** yaeckel@sullivanlawgroupapc.com

☐ Service information continued on attached page

### **2. SERVED BY UNITED STATES MAIL:**

On (*date*) January 9, 2020, I served the following persons and/or entities at the last known addresses in this bankruptcy  
case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail,  
first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the  
judge will be completed no later than 24 hours after the document is filed.

Debtor  
Scoobeez  
3463 Foothill Blvd.  
Glendale, CA 91214

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) January 9, 2020, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

VIA OVERNIGHT MAIL

Hon. Julia W. Brand  
U.S. Bankruptcy Court – Central District of California  
Edward R. Roybal Federal Building and Courthouse  
255 E. Temple Street, Suite 1382  
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

January 9, 2020  
*Date*

Sandra Alarcon  
*Printed Name*

/s/ Sandra Alarcon  
*Signature*